



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013
Amanda Bresnan MLA (Chair), John Hargreaves (Deputy Chair),
Alistair Coe MLA, Meredith Hunter MLA, Brendan Smyth MLA

**SURVEY OF COMMUNITY AND INDUSTRY GROUPS ON THE ACT BUDGET 2012-2013,
TO BE PRESENTED BY THE ACT GOVERNMENT ON 5 JUNE 2012**

If you wish to respond to this survey, please return it completed to
committees@parliament.act.gov.au, by 9.30AM Tuesday 12 June 2011.

If there is insufficient room for any of your comments, below, please feel free to append your comments in an extra page. In any appended pages, please give your comments after you state what question/s you are addressing.

1. Full name of group/organisation:

ACT Shelter Inc.

2. Name and honorific (Ms, Mr, Dr, etc.) of your organisation's/group's contact person for this survey and their telephone number and email address:

Ms Leigh Watson, Executive Officer

3. Has your organisation/group developed a written analysis of the Budget that it would like to submit to the Committee?

Yes (If yes, please email it to the Committee Secretariat with your completed Survey.)

4. Please list, in order of priority, your three main areas of concern regarding the ACT Budget 2012-2013:

a. The budget delivers \$5 million over 3 years for the expansion of social housing which ACT Shelter feels is insufficient to meet existing need, let alone any future increase in demand. There are currently 1776 families on the social housing waiting list which is only threatening to go higher.

b. There are no substantial measures in the budget to resolve the issue of homelessness despite the fact that on any given night an estimated 1,360 people are homeless in the ACT. The budget does not alleviate concerns about the potential impacts of a renegotiated National Partnership on Homelessness under the National Affordable Housing Agreement (due for renegotiation in mid-2013). And while we welcome the refunding of Streetlaw for 3 years and the one-off funding for the design of Common Ground, there is no new or additional funding for the homeless service system.

c. It is heartening to see that the budget overall makes a strong commitment to improving the financial circumstances of those 'doing it tough through no fault of their own' via a taxation overhaul. However, there is no strong evidence that the removal of stamp duty, and land tax reductions for 'affordable' properties, will have a significant impact on housing affordability especially for those on low incomes and certainly not in the near future.

And, while Phase III of the Government's Affordable Housing Action plan is shortly to be released (with its focus on improving private rental affordability), the dollar commitment to the strategy is not huge – just \$600,000 over two years. It is also unclear what these funds are to cover – it does not seem that individual strategies arising from the plan have been allocated any separate / additional funding in the budget (apart from the \$150,000 allocated for Small Clubs Site redevelopment).

5. What are your views on the Budget in relation to your priority areas?

ACT Shelter feels that, due to the issues outlined above, the ACT Government has not made a full commitment to their vision of "creating a fairer Canberra today, and a fairer future" in regard to housing for people on low to moderate incomes.

6. Are there any other particular issues with the Budget that you would like to bring to the Committee's attention? If so, please append a brief outline of the issue/s, in order of priority.

Yes

If yes, please comment:

There is no indication of what percentage of the 19,500 dwellings in the indicative Land Release Program will be mandated as affordable.

7. Did you provide a budget submission to the Government?

Yes (go to question 8) No (go to question 9.)

8. Do you think that the Budget has addressed the issues raised in your submission?

No

Comment (if you wish):

The budget submission provided by ACT Shelter consisted of two parts: 1. support for the housing and homeless section of the ACTCOSS budget submission and 2. a submission requesting funding for the organisation to continue to better provide advice to the ACT Government on housing affordability as it impacts on people on low to moderate incomes.

Currently the organisation receives funding to provide advice on issues that impact on social housing but in reality we provide feedback on the broad spectrum of housing issues in the territory including housing affordability – an issue of serious concern for a vast majority of Canberrans at this time. While we acknowledge and applaud the current measures being undertaken by the ACT Government through the Affordable Housing Action Plan phases I and II and look forward to the imminent release of Phase III we feel there is much work to be done in both supporting and providing feedback on these measures. Already there is some indication that the initiatives, intended to increase home ownership for those on low to moderate incomes are actually being utilised by people on high incomes and that the information about such initiatives is not reaching those who need it most. This is the kind of issue on which ACT Shelter is well-placed to advise on.

In the past we have contributed to this policy area by providing input into the ACT Homelessness Strategy: Breaking the Cycle (2004); the Affordable Housing Action Plan (2007); the ACT Social Plan and the ACT Social Compact between the Community Sector and Government; the ACT Housing Advisory Committee; the ACT Homelessness Advisory Committee; and the Anti-Poverty Task Force. More recently we provided feedback on: the draft Affordable Housing Action Plan Phase III; the ACT draft Planning Strategy; the Provision of Social Housing Enquiry; the community consultation re redevelopment of land in Braddon and Reid; the Targeted Assistance Strategy; the Land Rent Scheme review; and the Pilot Homeshare program. We are currently taking part in a review of the Social Housing Register.

We are disappointed that the ACT Government has not recognised this valuable commitment to housing justice in the territory over the past 25 years by providing us with a small amount of additional requested funding (\$77,000-\$155,000) which would have allowed us to be more effective in providing advice on this critical issue.

9. Does your organisation/group wish to give its views in a Committee public hearing on 15 June 2012, at the Legislative Assembly, London Circuit, Canberra.

√ Yes (If required)

If you indicate yes, and the Committee decides to invite you to appear at the hearing, the Committee Office will contact you by close of business Wednesday 13 June 2012 to confirm arrangements for your appearance. Please note that the Committee may not be able to hear from all groups/organisations who indicate that they wish to appear.

Thank you.

ACT Shelter 2012-2013 Budget overview

Key points

- There is very minimal funding for social housing growth. The funding allocated for this purpose to 2015 is insufficient to meet existing need, let alone future increase in demand.
- With the exception of three years funding for the continuation of **Streetlaw** and one-off funding for **the design of Common Ground** there is no new or additional funding for the homeless service system.
- This Budget does not alleviate concerns about the potential impacts of a renegotiated National Affordable Housing Agreement (due for renegotiation in mid-2013) and in particular a renegotiated National Partnership on Homelessness (which is funded under the NAHA).
- The Budget outlines a number of **taxation reforms** that are intended to increase housing affordability. ACT Shelter supports the moves toward a more progressive taxation system in the Budget, and is pleased to see the ACT Government lead in this area – for example in the abolition of stamp duty over 20 years and the reform of land tax. However any impacts on housing affordability will be incremental and over time. In addition, if these reforms do produce a more affordable housing market for purchase, there are no guarantees that the benefits will be passed on to low and moderate income renters.
- The Budget provides limited funds for work under the **Affordable Housing Action Plan Phase III**, with a focus on affordable rental. However it is not clear what initiative/s will be funded; or whether the budgeted funds will be sufficient to fund the significant improvements required in this area.
- There are no specific funded initiatives to improve **rental affordability**; and no specific investments in **community housing organisations**. Investment in **disability housing** is welcome but is very minimal.

1. Public and Community Housing

The ACT Budget delivers \$5 million over 3 years for the expansion of social housing (**Expansion of Social Housing – Stage 2**) (BP3 p119). This is a welcome but minimal commitment. It will not be sufficient to allow the social housing system to meet existing demand, let alone future growth in demand and need.

This funding is for the “construction of additional social housing dwellings with a focus on supported accommodation”. It is unclear what this focus on ‘supported accommodation’ means. It is also unclear what proportion of funds will be allocated to public housing vis a vis community housing. This is a concerning lack of clarity. The ABC is [reporting](#) that 15 public housing properties will be built with the \$5 million over three years for social housing.

The Budget does tell us that ACT Government failed to meet its 2011-2012 target for the number of public housing properties managed (target 12,050, outcome 11,862), due to construction delays and transfers of properties to community housing organisation. The target for the number of public housing properties in 2013/2014 is 11,941.

Funds are also allocated for **Security Improvements for Elderly Public Housing Tenants** (\$500,000 per annum for three years beginning in 2013) (BP 3 p190). This is a welcome commitment. Funds are also allocated to **energy efficiency improvements in public housing** (\$2m commencing in 2015) (BP 190). This extends an existing program to improve public housing energy efficiency. While it is positive to see this work continued, it is disappointing to see the program delayed until 2015.

The 2012 Budget allocates \$2.948million over three years (commencing 2013) for the construction of **3 dual occupancy properties for people with complex disability who need to live alone**. While this is a positive initiative it is unclear what recurrent funding will be available for these households, and this is also a small commitment given the high level of need in the community for purpose built disability housing.

2. Homelessness

\$130,000 is allocated in 2012 for the **Design of a Common Ground supportive housing complex for people who are homeless/earning low incomes** (BP 3 190). While it is good to see evidence of ongoing interest from the ACT Government in the proposed Common Ground model, the low level of funding and the fact that only the design phase is funded is disappointing: the start date for this initiative seems to have been further delayed in this Budget.

Streetlaw legal advice service for people experiencing homelessness has received funding for a further three years (\$300,000 per annum commencing 2012) (BP 3 122). This is good news.

There are no other announcements of additional or new funding in this area. As detailed above key Commonwealth-State funding agreements in this area are due to be renegotiated in 2013, and this uncertainty is concerning.

3. "Affordable Housing" initiatives

\$600,000 is allocated over 2 years (300,000 per annum commencing 2012) to support the **Affordable Housing Action Plan Phase III** and existing affordable housing initiatives (BP 3 119). The focus of the funding is **affordable rental**. It is positive to see some attention to this area; however it is unclear what specific initiative/s this limited funding will support. This lack of clarity is compounded because the Affordable Housing Action Plan Phase III has not yet been released.

The only other initiative that may be related to the ACT Government's Affordable Housing Action Plan Phase III is the **Small Clubs Site Redevelopment Scheme** (\$150,000 in 2012) (BP3 p118), which will assist small licenced clubs with the possible redevelopment of their sites. This is probably intended to encourage residential infill on sites owned by small clubs in inner city areas. However at this stage it is unclear whether a percentage of any housing constructed on small clubs' sites will be affordable for people on low to moderate incomes.

The Budget announces a plan of **Indicative Land Release** (5000 residential dwellings per year for 3 years from 2012; and 4,500 in 2015) (BP 3 149). Infrastructure (mostly road improvements) will be funded for some Greenfield sites (BP3 149). However it is not clear what percentage of the residential land release will meet the ACT Government benchmark of 'affordable housing' for purchase.

There are a range of **tax reforms** announced in this Budget that are intended to have positive impacts on housing affordability. These include:

- **Land Tax changes** (BP 3 49). From 2012 there will be a scaled reduction to land tax based on the unimproved property value. This is aimed at putting downward pressure on rental prices. However there are no requirements on owners to pass on the savings to renters. Thus it is unclear if benefits will be passed on to renters.
- **Insurance duty** (BP 3 50). Duty on insurance will be reduced by 20% over 5 years.
- **Stamp duty** (BP 3 49): Stamp duty will be abolished over 20 years. In the phase in period (5 years), less duty will be paid on properties valued under 1.2 million. This is a positive move, and may have impacts on affordability however the phase-in period is long.
- **Rates rebate** (BP3 51): The general rates rebate will increase, decreasing the rates payable by 71% of capped recipients with properties valued at under \$350,000. The option to defer rates remains for pensioners, those in financial hardship and people with disabilities; and will be extended to non-pensioners aged over 65 subject to a means test.
- **Home Buyer Concession Scheme** (BP 3 52): Eligibility for this scheme will be extended from \$120,000 to \$150,000 and the full concession will be available on properties up to \$385,000 with partial concessions cutting out at \$450,000. This is a positive move that may make home purchase more achievable for some low and moderate income earners.

The tax reforms are welcome, and they may assist aspiring home owners and low/moderate income mortgage-holders. However these tax reforms, like the Budget generally, do little to respond to the lack of affordability in private rental, which is where housing stress is most acute in the ACT.